

# **Attachment 2**

**SUPERVISORS ASSOCIATION**

**MEMORANDUM OF UNDERSTANDING**

The Supervisors Association of Beverly Hills (hereinafter referred to as “SUP”), a formally recognized employee organization, representing all its members within the Supervisors Association (hereinafter referred to as "Employees"), and duly authorized representatives of the management of the City of Beverly Hills (hereinafter referred to as "the City"), have met and conferred in good faith, freely exchanging information, opinions and proposals, and have reached the following agreement (hereinafter referred to as “MOU” or “agreement”) on matters within the scope of representation. A list of all of the classifications represented by the SUP is attached to this MOU as Exhibit A.

Now, therefore, the parties agree and mutually recommend to the City Council the following for its determination:

1. Integration. This document embodies a written memorandum of the entire understanding and mutual agreement of the parties as required by Government Code Section 3505.1 and supersedes all prior Memoranda of Understanding and verbal agreements between the parties hereto.

It is recognized that there exist now certain past practices or procedures which are in force and effect which affect wages, hours, and working conditions. To that extent, it is agreed that such practices, policies, and procedures shall remain in force and effect during the term of this agreement, unless they are inconsistent with provisions of this MOU, or unless changed by the meet & confer process. This MOU is subject to a determination and implementation by the City Council pursuant to Government Code Section 3505.1.

2. Term. Unless otherwise specified herein, this MOU shall be effective October 6, 2013 ~~August 4, 2010~~ and shall expire on September 30, 2015 ~~October 5, 2013~~.

**1. SALARIES**

Effective June 28, 2014 employees will receive a base salary increase of ten percent (10%). Any employees in the unit who were subject to having their compensation Y-Rated, on the date of adoption of the MOU by the City Council shall receive an 8.64% base salary increase.

Effective October 4, 2014, employees will receive a base salary increase of one percent (1.0%).

~~A. — Total Compensation Survey~~

~~1. — Effective Dates Of Salary Increases~~

~~On the following effective dates, the City shall implement base salary increases, if applicable, per the terms of the survey described below:~~

- ~~\_\_\_\_\_ September 25, 2010 \_\_\_\_\_~~
- ~~\_\_\_\_\_ September 24, 2011 \_\_\_\_\_~~
- ~~\_\_\_\_\_ September 22, 2012 \_\_\_\_\_~~

~~A total compensation study shall be performed by a hired consulting firm, selected and paid for by the City, which shall conduct the survey according to the terms prescribed herein. If the Association does not agree with the results of the study it shall provide the City a written statement that outlines the figures or elements it disputes. The Association's written statement may, at its option, include reports from a consultant selected and paid for by it. Thereafter, the parties will meet and confer in good faith to attempt to resolve those disputed items. If an agreement still cannot be reached, the parties may agree to submit the matter to a mediator to assist them to reach agreement. If no agreement is reached, or if the parties do not elect to use mediation, the disputed issues shall be submitted to an arbitrator for advisory arbitration. The arbitrator's decision shall be a recommendation to the City Manager who shall render a final administrative decision.~~

~~2. — Survey Cities~~

~~The surveyed cities shall include: Irvine, Costa Mesa, Newport Beach, Burbank, Santa Monica and Torrance.~~

~~3. — Time When Surveys Will Be Conducted~~

~~The surveys will be completed by November 15 of each year and will include total compensation figures which are known to be in effect during the first payroll period after January 1 of the subsequent year. Whether the survey is or is not timely completed, any compensation increases will be retroactive to the effective dates of the salary increases set forth above.~~

~~4. — The elements of total compensation will include:~~

- ~~1) — Monthly Base Salary (top step or top of salary range, whichever is applicable) for each classification's salary range;~~
- ~~2) — The value of the City paid employee (i.e., member) contributions to CalPERS;~~
- ~~3) — The value of the "PERS on PERS" benefit (see Article 17, Section F below). For survey purposes, for those agencies which provide PERS on PERS (including Beverly Hills) there shall be a reflected value of 1.4% of top step base salary for the 2010 survey and 1.733 % for the 2011 and 2012 surveys;~~

- 4) ~~The value of the average health insurance plan of all bargaining unit members. To determine the survey agencies' values, the survey will use each agency's plans (including cafeteria dollars offered to employees at the other agencies) with the SUP employees' demographics at the time the survey is conducted;~~
- 5) ~~Maximum City Paid Dental Insurance (family plan);~~
- 6) ~~Maximum City Paid Vision (family plan);~~

~~(NOTE: For Beverly Hills health (#4), dental (#5) and vision (#6) insurance shall be calculated using the average cafeteria plan contribution per employee. The same shall be true for any other survey city that employs a cafeteria plan that is designed to cover the same elements of insurance coverage.)~~

- 7) ~~Maximum City Contribution towards Long Term Disability Insurance;~~
- 8) ~~Maximum City provided Life Insurance, valued at 21 cents per \$1,000 of coverage;~~
- 9) ~~Maximum City contribution to deferred compensation;~~
- 10) ~~Longevity Pay according to the amount that would be received by an employee with 15 completed years of service or the City's average longevity pay for all members of the survey agency bargaining unit, whatever is higher;~~
- 11) ~~The dollar value of the maximum vacation leave provided to an employee in the unit;~~
- 12) ~~The dollar value of the maximum holiday pay provided to an employee in the unit; and~~
- 13) ~~Average City Paid Education, Certification and Bonus Pays~~

##### 5. Calculation of the formula

~~Effective September 25, 2010, the City agrees to implement a base salary increase of whatever amount is necessary to bring each benchmarked classification in the unit which is below the 62.5 percentile in total compensation to the 62.5 percentile. Each non benchmarked classification will receive an increase (if applicable) based upon its relationship to benchmarked classifications.~~

~~On September 24, 2011, and September 22, 2012 the City agrees to implement a base salary increase of whatever amount is necessary to bring each benchmarked classification in the unit which is below the 75<sup>th</sup> percentile in total compensation to the 75<sup>th</sup> percentile. Each non benchmarked classification will receive an increase (if applicable) based upon its relationship to benchmarked classifications.~~

~~(NOTE: The 62.5 and 75<sup>th</sup> percentiles are calculated by using an excel spreadsheet. The array of total compensation numbers for each classification (either the benchmarks or the other classifications whose compensation is determined by internal relationships to the benchmarks) are calculated and placed on an excel spreadsheet. The following formula is then run: “=percentile(A1:A6,0.62.5)” for the 62.5 percentile and “=percentile(A1:A6,0.75)” for the 75<sup>th</sup> percentile. A1 through A6 stands for the six survey agencies.)~~

~~The parties agree that prior to any surveys being completed herein, they must reach mutual agreement on: (1) the identity of the benchmark classifications; (2) the classifications that are comparable to the benchmark classifications from each of the surveyed jurisdictions; (3) internal relationship of non benchmark classifications to benchmark classes or other internal factors; and (4) a satisfactory means to address classifications for which there is no adequate applicable market data. If no agreement is reached, the parties will submit the matter to the process described in A1 above.~~

## **2. -APPOINTMENT AND ADVANCEMENT**

### **A. Movement Through Range**

The City Manager may make appointments to or advancements within the prescribed ranges of specific positions upon evaluation of employee qualifications and performance. Normally, employees shall be appointed to the first step (although they can ask to be appointed above the first step, if appropriate based on experience) and shall be eligible to be advanced through the five (5) basic steps in their allocated schedules as follows:

#### **1. Probationary Employment**

The probationary period for all positions in the bargaining unit shall be one year. After six (6) months of satisfactory service, a probationary employee appointed at Step I shall receive a salary step increase to Step II of the prescribed schedule as well as be eligible to use all accrued leave benefits. Step increases will be provided to employees as follows:

I step to II step at 6 months of satisfactory service (which could be longer than 6 months)

II step to III step – 12 months after moving to II step

III step to IV step – 12 months after moving to III step

IV step to V step – 12 months after moving to IV step

A Department Head has the right to extend an employee's probationary period for two reasons: 1) the employee has missed at least 15 work days during his/her probationary period; or 2) based on an employee's work performance, the Department Head wants more time to determine whether the employee will be passed off probation. If the reason for the extension is days missed from work during probation, the probationary period will be extended by the number of workdays the employee has missed (for any reason), excluding approved vacation leaves during his/her probationary period. If the reason for the extension is work performance, the probationary period cannot be extended by more than an additional six (6) months. In all cases, the City will inform a probationary employee in writing that his or her probation has been extended prior to any extension and will inform such employee of the new date upon which his or her probationary period will end.

Probationary employees appointed to a step other than the first, shall not be eligible to receive a step increase at the six month mark as described above, but rather on their anniversary date (i.e., the date they pass probation.)

2. Permanent Employee Advancement

Unless otherwise provided, every permanent employee (i.e., employees who have successfully completed their probationary period) shall receive step advancements in the following manner:

- a. Each year ~~on his or her anniversary date in the position~~, an employee shall be eligible for salary step increases for Steps III-V, provided, however, an employee whose evaluation is timely given (i.e., within one calendar week of the employee's anniversary date) and whose overall performance is less than "meets standards", may have his or her merit increase withheld or delayed. ~~The salary step increase will be effective on the first day of the pay period that begins after his or her anniversary date falls.~~
- b. Such an increase is recommended by the employee's supervisor and the Appointing Authority (as defined throughout this MOU as each employee's Department Head or designee), and is approved by the Assistant Director of Administrative Services/Human Resources.

**B. Reclassification, Promotion and Y-Rating**

1. Reclassification

When a position in the unit is reclassified upward, the employee in the position may be appointed to the reclassified position, providing that:

- a) The employee has held the position which was reclassified for a minimum of ninety calendar (90) days immediately prior to the reclassification; and
- b) The employee meets the qualifications established for the reclassified position.

If the employee does not meet both of the above criteria, the reclassified position shall be filled through a recruitment process.

2. Y-Rating

The City may offer to "Y"-rate an employee whose position has been eliminated, reclassified downward or for some other reason which has caused the compensation of a position to be reduced. In the event an employee in a position is Y-rated, the employee's monthly base salary shall not be increased until the monthly base salary of the position held by that employee exceeds the monthly salary paid to that employee.

### 3. Compensation After Promotion Or Upward Reclassification

Every employee who is promoted or who is appointed to a position which is reclassified upward shall be appointed to the first step of the salary schedule of the new classification or at least 5% above the step and schedule of his/her previous classification, whichever is higher.

#### **C. Employee or SUP Initiated Request for Reclassification**

If the duties and responsibilities of a position have changed and are no longer accurately described by the classification specification for her/his position, the employee or SUP may request to the Assistant Director of Administrative Services/Human Resources, that his/her classification specification be changed. Such requests shall be made in writing using a form specified by the Human Resources Division and a copy of which will be given to each potentially impacted employee's respective department head at the initial filing. All requests for a given fiscal year must be submitted to Human Resources no later than December 1 for implementation in the next fiscal year.

The Assistant Director of Administrative Services/Human Resources shall make a study of the position and report her/his findings to the City Manager prior to City Council budget presentations~~no later than March 1~~. A copy of the report shall be provided to the employees affected ~~by~~ prior to City Council budget presentations~~March 1~~. If classification specifications are modified in such a manner as to necessitate a change in compensation level, or if an employee is reclassified as long as employees have been working in the position for at least 180 days, the change shall be effective the next July 1 or the effective date of the next City budget.

The decision of the City Manager shall be final. In the event the reclassification request is denied, neither the employee nor the SUP have the right to grieve the decision.

This procedure relates only to the request of an employee or the SUP for reclassification.

#### **D. Special Merit Step Advancement**

The City Manager may, upon the recommendation of the department head and the Assistant Director of Administrative Services/Human Resources, authorize the advancement of an employee to any of the four (4) steps earlier than he/she would normally be eligible for length of service. Such increases shall be effective on the first day of the pay period following approval by the City Manager, if not otherwise specified by the Appointing Authority. A special merit step advancement shall affect the anniversary date of an employee, causing it to change to the effective date of the special merit step advancement.

#### **E. Special Assignment Increase**

A special assignment increase may be granted (upon approval of the Assistant Director of Administrative Services/Human Resources) to an employee by an Appointing Authority provided that the employee is clearly performing specific duties above and beyond that required by his/her

classification while not assigned or authorized to be filling a position out of classification. The Appointing Authority shall submit his/her recommendation and justification to the Assistant Director of Administrative Services/Human Resources for approval. The Assistant Director of Administrative Services/Human Resources will review the recommendation and determine whether it is warranted given the standards of this section. Said increase shall be 6% above the base salary paid to the employee. Annually a review by the Assistant Director of Administrative Services/Human Resources of the special assignment shall be made to determine if it is still warranted.

#### **F. Temporary / Employment**

Temporary employees may be hired by the City to backfill for an employee on a leave of absence, if an incumbent leaves City employment and there is not an active eligibles list and the City has a temporary need for an employee. Temporary employees (one or more) can be hired for 180 days maximum (cumulative total if more than one is temporary employee is hired), except a temporary employee hired to backfill for an employee who is on a medical leave of absence. The City may hire the same person to work as a temporary employee for a different vacancy or leave. If the City needs an extension of the 180 days, it may ask the Association to grant it. The Association must grant the first extension up to 90 days. After that, an additional extension requires the City show good cause and the City must meet and confer with the Association regarding the additional extension.

In addition to the previous paragraph, a person may be hired to a temporary appointment for up to a maximum of 180 days as determined by the department to satisfy a temporary need. Prior to hiring a temporary employee who is hired neither to replace an employee absent from duty or to fill a vacancy (i.e., a determined short term (180 day or less) need), any such work will first be offered to bargaining unit members on an overtime basis. If such work can be done by employees, such a temporary employee will not be hired. If all the work offered on an overtime basis to bargaining unit members is not accepted by employees, the City may also appoint persons on a temporary basis to perform the work not accepted by the employees on an overtime basis.

#### **G. Superior - Subordinate Relationship**

For the purpose of this section G, a superior-subordinate relationship is defined as a relationship in which a classification has the responsibility for the direct supervision of another classification.

In such a relationship, the superior shall be paid a monthly salary rate above his/her subordinates. When a subordinate's monthly salary rate is equal to or exceeds that which is being paid to his/her superior, the superior shall receive a special adjustment of 3% above the salary received by his/her highest paid subordinate.

At any time the superior's base salary (excluding this salary adjustment) exceeds 3% above the base salary of his/her subordinates, the salary adjustment granted to him/her by this section shall be eliminated.

Monthly salary rate is defined as the base monthly salary paid to a position. Excluded from salary computations for this provision are any bonuses paid, shift differentials, overtime payments, or any additional payment to a position.

#### **H. Filling Position Out Of Classification (FPOC)**

Every employee assigned to and working in a classification with a salary schedule above that of the employee's regularly assigned position as the result of special departmental need shall be paid while so assigned at a step within the range for the higher classification after serving eighty (80) hours during his/her employment (including time served in the assignment prior to September 1, 2010 at the higher classification. Once the employee is eligible for FPOC and is assigned and performs the duties of the higher classification, the employee shall receive 10% above the pay rate of his/her regular classification provided that no rate higher than the fifth step, nor lower than the first step of the salary schedule for the classification in which the work is performed is paid, and is consistent with other provisions of this MOU regulating such assignments. No position may be filled out of classification unless established departmental procedures are followed and authorization from the Appointing Authority is obtained. Probationary employees are not eligible to fill a position out of classification.

To be eligible for compensation for filling a position out of classification, the employee has to meet the criteria for the higher classification and be capable of performing those specific tasks which he/she will be performing during this acting time and which differentiates it from the lower classification. Before FPOC status is attained, the necessary personnel forms shall be approved by the Appointing Authority and Assistant Director of Administrative Services/Human Resources.

Employees assigned to fill positions out of classification shall not acquire status or credit for services in the higher class and may be returned to their regular position at any time. Employees receiving FPOC pay shall not receive the higher salary when on vacation or sick leave for three calendar weeks or longer.

### **3. SPECIAL COMPENSATION**

No special salary adjustments authorized by this Article shall become effective until an official transaction form authorizing the adjustment is approved by the Assistant Director of Administrative Services/Human Resources. Special salary adjustments, except those designated as "shift differentials", shall not be treated as part of base salary and shall be excluded in calculating earnings when loss of time, or benefits are involved.

#### **A. Types of Shifts**

1. Rotating shift means the authorized periodic change to the start and end times of an employee's regularly assigned work shift, e.g., swing shift to day shift. Rotating shift does not include changing the number of hours an employee works in a day or number of days worked per week.

2. Swing shift means authorized work schedules regularly assigned in which at least four (4) hours worked are between the hours of 5:00 p.m. and 1:00 a.m. of each workday.
3. Night shift means authorized work schedules regularly assigned in which at least four (4) hours worked are between the hours of 11:00 p.m. and 8:00 a.m. of each workday.
4. Day shift means any authorized work schedules assigned except rotating, swing, or night shift as defined in this section.

**B. Shift Pay~~Bonuses~~**

1. Employees assigned to a rotating or swing shift shall receive a shift differential of 3% of base salary just for the days when the rotating or swing shift occurs. An employee shall receive rotating shift pay~~bonus~~ for the entire week if the start and end time is different than the ~~regular~~ start and end time on at least two days during the workweek.
2. Employees assigned to a night shift shall receive a shift differential of 6% of base salary.
3. In any given workweek, an employee may only receive a maximum of a 6% shift pay even if working both night shift (for at least two workdays) rotating and/or swing shift.

The parties agree that to the extent permitted by law, the compensation for shift pay is special compensation and shall be reported as such pursuant to Title 2 CCR, Section 571(a)(4) Shift Differential

**C. Tool Allowance**

During January of each year, the City will pay any employee in the classification of Maintenance Supervisor who is required to furnish tools an annual tool allowance of \$500. This amount may be taxable in accordance with law. The City agrees to continue to furnish the current assortment of tools. City will not require employees to provide any receipts to receive the tool allowance.

**D. Certification and Additional Compensation~~Bonus~~ Program**

The following additional compensation will be paid by the City ~~bonuses which were in effect on the effective date of this agreement (as set forth on page 1 of this agreement) will remain in effect~~ throughout the term of this agreement:

Water Utility

Any water treatment and distribution certificates achieved by employees in water classifications which are above the requirements of the job will be paid at \$50.00 per month per certificate. This includes D1-D5 and T1-T5.

The parties agree that to the extent permitted by law, the compensation for water treatment and distribution certificates is special compensation and shall be reported as such pursuant to Title 2 CCR, Section 571(a)(2) Educational Incentive Pay.

#### Wastewater Utility

Collection System Maintenance Certification, Grade IV - \$25.00/mo  
Offered through the California Water Pollution Control Association  
Drainage Maintenance Supervisor

#### Fleet Services

Master Automobile Technician Certificate - \$50.00/mo  
Offered through the ASE Automobile Technician Tests - Maintenance Supervisor- to be eligible for this paybonus, an employee must complete all eight sections of the certification program

Master Truck Technician Certificate - \$50.00/mo  
Offered through the ASE Automobile Technician Tests - Maintenance Supervisor - to be eligible for this paybonus, an employee must complete all required sections to obtain an ASE master certificate

The parties agree that to the extent permitted by law, the compensation for Master Automobile Technician is special compensation and shall be reported as such pursuant to Title 2 CCR, Section 571(a)(2) Educational Incentive Pay.

Fire Mechanic I Certificate - \$25.00/mo  
Offered through the California Fire Chief's Association, Fire Mechanic Section

Fire Mechanic II Certificate - \$25.00/mo  
Offered through the California Fire Chief's Association, Fire Mechanic Section

Master Fire Mechanic Certification – Level III  
Offered through the California Fire Chief's Association, Fire Mechanic Section - \$50.00/mo

For the certifications provided above, when they are part of a progressive series, the bonus shall become cumulative.

Certifications which were being paid on the effective date of this MOU will continue to be paid to the employees who were receiving them.

#### **E. Bi-Lingual PayBonus**

The City shall pay ~~a bonus of~~ 3% above base salary to employees who are approved by their Department Head and the Assistant Director of Administrative Services/Human Service to

~~become are~~ certified by the County of Los Angeles or other agencies approved by the City. The certification of tests for written and oral proficiency in Spanish, Farsi, Korean, Russian, Sign or any other language designated by the City. Those employees who receive a bi-lingual ~~paybonus~~ will be required to speak alternate language in the course and scope of their employment. In addition, if receiving the ~~paybonus~~, an employee may be asked to assist in translating even if unrelated to his/her specific job duties.

The parties agree that to the extent permitted by law, the compensation for Bilungul Pay is special compensation and shall be reported as such pursuant to Title 2 CCR, Section 571(a)(4) Bilingual Premium.

#### **F. Car Allowances**

All car allowances will be paid per the Administrative Regulation 3A.4.

### **4. MEDICAL INSURANCE**

#### **A. General**

The City contracts with the Public Employees' Retirement System for medical insurance. For newly hired employees, insurance coverage is effective the first day of the next month following the thirty (30) day waiting period, ~~provided that the employee has obtained permanent or probationary status on the effective date of coverage.~~

~~In the event an employee is on leave of absence without pay, as a result of an industrial injury, the City shall pay its contribution of the medical insurance premium of an employee and dependents, if covered, to the limit of one month's coverage for each full year of said employee's City service.~~

The payment of premiums toward this medical insurance program will be through the administration of a flexible benefit package. ~~The City shall pay the PERS statutory minimum ( \$105.00 for 2010, \$108.00 for 2011 and yet still undetermined for 2012 and 2013) on behalf of each participant in this program. A participant is defined as 1) any employee and dependents, 2) an enrolled retiree and dependents, and 3) a surviving annuitant. In addition to the PERS statutory minimum, flexible benefits shall be provided as follows:~~

#### **B. Health and Welfare Benefits**

The City will contribute the PERS statutory minimum on behalf of each participant in the program.

In addition, the City will provide current employees with flexible benefits through a cafeteria plan as provided below.

Any language contained in this MOU which is also contained in the cafeteria plan documents is done so for the convenience of the parties. However, the parties agree that all of the provisions of the cafeteria plan documents (whether included in this MOU or not) are applicable and binding on the parties to this MOU.

1. Cafeteria Plan: The provisions of the Cafeteria Plan are described below.

a) Benefits provided through Cafeteria Plan:

The following insurance benefits provided for in this Article will be provided through the provision of a cafeteria plan adopted in accordance with the provisions of IRS Code § 125: medical, dental, and optical.

b) The Purchase of Optional Benefits Through the Cafeteria Plan:

The cafeteria plan offers employees the opportunity to purchase the following optional benefits: medical, dental and optical insurance.

For the remainder of calendar year 2013, employees shall be provided monthly with an amount that is the sum of the two party PERS Care, family dental (Guardian - Standard) and family optical (VSP - Standard) for the purchase the optional medical, dental and optical insurance benefits. For employees who participate in medical insurance through CalPERS, the amount described above will include the PERS statutory minimum paid by the City. ~~Each January 1, the amount shall be adjusted by the increase in the sum of two party PERS Care, family dental and family vision.~~

Effective January 1, 2014, employees shall be provided with the amount of \$1873.00 (inclusive of the statutory minimum) for the purchase of the optional medical, dental and optical insurance benefits.

Effective January 1, 2015, employees shall be provided with the amount of \$2000.00 (inclusive of the statutory minimum) for the purchase of the optional medical, dental and optical insurance benefits.

(1) Medical Insurance

Eligible employees may select any of the HMO or PPO ~~following~~ medical insurance plans offered by CalPERS:

HMO Plans ————— PPO Plans

~~1) Kaiser; or  
2) Blue Shield Access +; or  
3) Blue Shield Net Value~~ ————— ~~1) PERS Care;  
2) PERS Choice; or  
3) PERS Select~~

If CalPERS changes any of the medical insurance plans by either adding to or deleting the plan options described above, employees will be limited to those plan options offered by CalPERS.

For each of the ~~foregoing~~ plans, employees will also be able to choose the benefit for the employee, employee + 1 or employee + family. Covered employees are required to participate in CalPERS medical insurance under one of the available options, unless the employee provides the City with proof that he/she has comparable medical insurance from another source.

(2) Dental Insurance

Employees shall also have the ability to select from two levels of dental insurance from the City's dental insurance provider, Guardian. The City reserves the right to change dental insurance providers if necessary. If it does, employees will be provided with equivalent benefits with the new provider. As with medical insurance, employees will have the options of: employee, employee + 1 or employee + family. Employees do not have to choose any dental insurance and need not provide proof of dental insurance from another source. ~~The following will be part of the dental insurance: 1) adult orthodontia coverage; 2) the benefit limit will be \$2,000.00; and 3) the major services benefit will be at 80%.~~

3) Optical Insurance

Employees shall also have the ability to select from two levels of optical insurance from the City's optical insurance provider, Vision Service Plan (VSP). The City reserves the right to change optical insurance providers if necessary. If it does, employees will be provided with equivalent benefits with the new provider. As with medical insurance, employees have the options of: employee, employee + 1 or employee + family. Employees do not have to choose any optical insurance and need not provide proof of optical insurance from another source.

c) Employee Contributions for Benefit Options:

If an employee chooses optional benefits whose aggregate cost exceeds the maximum City contributions to the Cafeteria Plan, the City will automatically deduct the excess amount on a pre-tax basis from the employee's bi-weekly payroll.

d) The Receipt of Cash Through the Cafeteria Plan:

Employees will be eligible to receive cash up to a maximum of \$475 per month (subject to taxation as wages) through the cafeteria plan if they either opt out of receiving one of the optional benefits provided through the plan or if they choose

optional benefits that do not cost as much as the maximum dollar amount they receive through the plan, ~~as follows:~~

(1) ~~Receipt of Cash for Opting Out of the Optional Benefits~~

~~Employees who elect not to be covered by any of the three optional benefits provided through the cafeteria plan, and meet the opt out requirements, if any, shall receive the following monthly amount as cash wages for each benefit for which the employee opts out:~~

<del>1)</del>	<del>medical insurance</del>	<del>\$450.00</del>
<del>2)</del>	<del>dental insurance</del>	<del>\$100.00</del>
<del>3)</del>	<del>optical insurance</del>	<del>\$15.00</del>

(2) ~~Maximum Receipt of Cash If Optional Benefits Chosen Result in the Employee Still Having Cafeteria Plan Contributions Available~~

~~The cafeteria plan offers employees the ability to purchase each of the three optional benefits with the City's contribution to the cafeteria plan. Employees may choose to purchase benefits that cost less than the City's contribution to the cafeteria plan and choose to receive cash wages with their remaining City contribution. An employee who chooses to receive any of the optional benefits under the cafeteria plan shall be eligible to receive up to \$475 as cash wages as long as he/she has not reached the cafeteria plan maximum amount with his/her purchases.~~

e) Flexible Spending Accounts:

The cafeteria plan will also offer employees the opportunity to participate in both a health care and dependent care flexible spending account (each an FSA) whereby employees will be able to defer up to the maximum permitted by law \$2,500 per year (for both the health care FSA) ~~and up to \$5,000 per year~~ (for the and dependent care FSA) to pay for any eligible out of pocket expenses related to health care or dependent care on a pre-tax basis. The provisions of both of these FSA's will be provided in a plan document. The plan document will be available to each eligible employee upon request. Essentially, before January 1 of every year, employees will be able to elect to have their compensation (up to the aforementioned limits) for the upcoming year deducted biweekly and contributed on a pre-tax basis to the FSA. During the year (and for a short grace period thereafter), an employee can receive reimbursements under the FSA for covered expenses incurred during the year, up to the amount of the employee's contributions for the year. The FSA deductions will be withheld from employees' regular payroll.

f) Long Term Disability and Life Insurance Mandatory Health and Welfare Benefits:

The following are benefits that all employees are included in at the City's cost: term life insurance (\$50,000.00 policy) and disability insurance which provides two thirds (2/3) of monthly salary up to a maximum of up to \$6,000.00 per month, except as may be provided under the applicable plan document. This plan has a 60-day elimination period. Employees may use accrued leaves to supplement payments received by the disability insurance plan. However, the employee may not receive more than 100% of their regular wages.

g) Supplemental Term Life Insurance:

Employees may also purchase supplemental term life insurance, if available, with deductions from their bi-weekly compensation as designated by each employee. Although employees may use cash wages they receive through the cafeteria plan (if applicable) to purchase supplemental term life insurance, they cannot defer cash wages they receive through the cafeteria plan directly into the purchase of supplemental term life insurance. It must be an after tax deduction from their paycheck.

h) Deferred Compensation:

In accordance with the tax rules, any cash that an employee may receive through the cafeteria plan may not be deferred to the employee's accounts under the City's retirement plans. The employee may, however, be able to elect to increase his/her deferrals to the City's retirement plans from his/her regular wages.

i) Benefits if on an Industrial Leave:

In the event an employee is on a leave without pay as a result of an industrial injury, the City shall pay the PERS statutory minimum for that employee (assuming the employee wants medical coverage from the City) for the duration of the leave. In addition, outside of PEMHCA, assuming the employee wants to be covered by medical, dental or optical/vision insurance the employee shall receive his/her additional cafeteria plan contribution and or cash back (up to the maximum amount provided above) for one month for each full year of service up to one year. If an employee chooses to opt out of insurance and receive cash as described above, he/she will be eligible to receive that cash for one month for each year of full service up to one year.

## **C. Retiree Health Insurance**

### **For Employees Hired Prior to January 1, 2010**

For employees ~~who were employed on the effective date of this agreement and who were~~ hired prior to January 1, 2010, they shall be eligible (as retirees) for continued medical benefits up to \$350.00 per month (which includes the PERS statutory minimum, i.e., the employee will receive

a check for the difference between \$350 and the PERS statutory minimum) unless and until the following occur:

1. The retiree reaches age 70, or
2. The retiree becomes eligible for Medicare (if the employee is eligible for Medicare, the City will pay the designated Medicare supplement rate not to exceed \$350 per month), or
3. The retiree is or becomes eligible to be a participant in another employer-paid medical plan or Veteran's Administration benefit, or
4. ~~For Kaiser enrollees only, the retiree moves from the Kaiser Permanente service area.~~

For eligible retirees (as described below) who are age 70 or above, the City shall pay up to \$150/month (which includes the PERS statutory minimum, i.e., the employee will receive a check for the difference between \$150 and the PERS statutory minimum) toward medical coverage under PERS. If the statutory minimum exceeds \$150, the City shall pay the statutory minimum for such employees. In this situation the employee will not get a check from the City. Eligible retirees include those full time SUP employees who:

1. Retire after July 1, 2000; and
2. Take a service retirement and are not subsequently covered under PERS with another agency; and
3. Have 20 or more years of full time service with the City of Beverly Hills prior to retirement.

For those retirees over age 70 who do not otherwise meet the eligibility criteria the City will pay the PERS statutory minimum on their behalf.

~~For employees who wish to take advantage of the City offered Alternative Retiree Medical Program (ARMP), the calculated annuity will be based on the \$300.00 per month level which was provided to employees for retiree medical benefits prior to the effective date of this agreement.~~

Retirees and their dependents will not be permitted to receive cash back options per the cafeteria plan.

### **For Employees Hired On Or After January 1, 2010**

Employees hired into the unit as new employees by the City on or after January 1, 2010 who retire from the City will receive the PERS statutory minimum paid by the City.

In addition, for employees hired into the unit as new employees on or after January 1, 2010, in lieu of additional retiree medical insurance benefits, the City shall, while the employees are working for the City, contribute the sum of \$150.00 per month (\$69.23 per pay period) to a retirement account on behalf of such employees.

For employees who enter the unit on or after January 1, 2010 who were City employees as of December 31, 2009, they will receive retiree medical benefits ~~(based on their years of service with the City) in accordance with the benefits of this MOU~~ as though they were a member of the bargaining unit prior to January 1, 2010.

**D. Purchasing Additional Insurance If Funds Are Insufficient to Cover The Cost of Chosen Benefits**

Any retiree whose City contribution for retiree medical, dental and/or optical vision insurance is insufficient to cover the actual cost of such insurance for the retiree and his/her eligible dependents can purchase such insurance through CalPERS by paying the additional amount in excess of the City contributions, if any.

**5. DEFERRED COMPENSATION**

The City shall contribute \$70.00 a month per employee to the City's deferred compensation plan.

**6. HOLIDAYS**

**A. Holidays**

Employees shall be entitled to the following paid holidays if such employee worked the normally assigned duty period the day before and the day after the holiday, or was absent on authorized paid leave during said periods:

New Year's Day	January 1
Martin Luther King Day	3rd Monday in January
Presidents' Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1st Monday in September
Veterans' Day	November 11
Thanksgiving Day	Fourth Thursday in November
Day after Thanksgiving	Day After Fourth Thursday in November
Christmas Day	December 25

1. Every employee whose regular work schedule is Monday through Friday will observe holidays as follows:

If the holiday falls Monday through Friday, the employee will be granted a paid day off on the day on which the holiday falls.

If an employee is required to work on a holiday, the employee will be paid for the holiday, plus paid either 1½ times his or her regular rate of pay for the hours actually worked on the holiday or compensatory time at 1½ times the hours actually worked, at the employee's discretion subject to the maximum cap on accrual of compensatory time of 40 hours.

If a holiday falls on a day which is an off day for employees working the 9/80 or 4/10 work schedules, the employee shall receive a floating holiday in lieu of holiday pay. Floating holidays may be taken at each employee's discretion, subject to approval of the department head or designee. Generally, these floating holidays may be used after the holiday has occurred unless the employee requests to use the floating day contiguous to the actual holiday. If an employee does not use his/her floating holidays within the calendar year (with the exception of those floating holidays which are earned in November or December, in which case the employee will be able to use the floating holiday from that year for the first two months of the following year) in which the employee has received it, he/she will not earn an additional floating holiday in the next calendar year. The parties encourage employees in the unit to use their floating holidays. Since floating holidays cannot be removed from an employee once earned, and the parties do not want employees to have more floating holidays on the books than would be received within the current year, a floating holiday carried over at the end of the year results in the employee being unable to earn that holiday in the next calendar year. Department Heads or designees will not act unreasonably in granting requests to use floating holidays.

2. If the January 1, July 4, November 11 and December 25 holidays fall on a Saturday, the preceding Friday shall be considered the holiday; if the holiday falls on a Sunday, the following Monday shall be considered the holiday. Employees whose work schedule is different from the Monday through Friday schedule, shall receive holiday benefits in the following manner:

If the holiday falls on one of his/her workdays, he/she shall be given that day off with pay, if possible.

If the holiday falls on one of his/her days off, he/she shall be given one day off during the same pay period or receive compensation for one additional day's pay at the following rates: 5/40 – eight hours, 9/80 – 9 hours and 4/10 – 10 hours.

If a holiday falls on a day on which the employee is required to work, he/she will be paid for the holiday, plus either 1½ times his or her regular rate of pay for the hours actually worked on the holiday or compensatory time off at 1½ times the hours actually worked, at the Department Head's (or designee's) discretion.

3. All employees shall receive holiday pay for the number of hours that corresponds to their regular work day. (i.e., If the holiday falls on the employee's 8, 9 or 10 hour day, the employee shall receive 8, 9 or 10 hours of holiday pay, respectively).

4. For employees of the Library, on any other day on which the Library closes which are not listed on the holiday schedule, the employee may use vacation or compensatory time off to get paid for the day or, if approved by the employee's supervisor, come to work and perform duties approved by the employee's supervisor. An employee on probation for six months or less (who is not otherwise entitled to use vacation) will have the right to access vacation which has been earned (but which is not yet available for use) to be paid for all or part of the day when the Library is closed and they are unable to work.

**B. Personal Holiday**

After six months of service~~Upon satisfactory completion of a probation period~~, employees shall earn personal holidays during the fiscal year as follows: For employees working a 5/40 – 16 hours, 9/80 – 18 hours, and 4/10 – 20 hours. Said holiday leave may be taken at the employees' discretion subject to supervisor and department head (or designee) approval. Employee shall request such holiday leave in writing. If an employee does not use all his/her personal holiday leave earned within the fiscal year in which the employee has received it, the amount of the employee's holiday leave accrual in the following year will be reduced by the amount of personal holiday leave carried over from the previous fiscal year such that employees cannot have more than two days of accrued personal holiday leave at any time. The parties encourage employees in the unit to use their personal holiday leave. Department Heads or designees will not act unreasonably in granting requests to use personal holiday leave.

**7. VACATION**

**A. Authorization For Taking Vacation**

With the exception of employees who change positions within the unit by promotion, transfer or for some other reason, vacation accumulated shall not be available for use until an employee completes six months of service~~his/her probationary period~~. Upon completion of six months of service~~probation~~, every employee may take accumulated vacation if approved by the employee's department head or designee.

**B. Accumulation**

Employees may not accumulate more than 480 hours of vacation at any time.

Notwithstanding the above paragraph, employees with more than fourteen years of service whose vacation accumulation at the beginning of a calendar year is less than 480 hours may accumulate annual vacation which will result in their balance being above 480 hours. However, if at the end of any calendar year the vacation accumulation is above 480 hours they will not continue to accrue vacation until the balance falls below 480 hours, whereupon they will then continue to accrue vacation during that calendar year.

At the end of each calendar year, upon the employee's request, an employee with 240 hours or more of accumulated vacation, can receive cash payment for up to 20 vacation hours earned but not taken during the calendar year.

**C. Application**

An employee entitled to vacation shall make written application therefore in the manner and within the time directed by the Appointing Authority. Every department head or designee shall establish a vacation schedule for each calendar year based on employee requests and seniority of the employees concerned and subject to his/her right to plan work under his/her control and to allow vacations when employees can be spared. Each year between November 1 and December 15 employees shall submit vacation requests for the next calendar year. The determination of which requests shall be granted shall be made by seniority with the City. Thereafter, requests shall be submitted throughout the year and the determination as to whether a request is granted or denied shall be made on a first come, first served basis. Seniority is only a factor when employees request vacation at the same time. An employee with greater seniority cannot bump the vacation of a less senior employee whose vacation has already been approved. He/she shall notify employees as soon as possible whether their application is approved, and if not, of the period which is substituted. Any request submitted shall be deemed "approved" unless denied in writing within 14 calendar days of its submission.

**D. Vacation Allowances**

Vacation accrual shall be calculated on the basis of hours. Vacation credit shall accrue biweekly to employees at the rates indicated below:

FIRST 4 YEARS <u>OF SERVICE</u>	AFTER 4 YEARS THROUGH 14 YEARS <u>OF SERVICE</u>	AFTER 14 YEARS <u>OF SERVICE</u>
3.07 Hours Bi-weekly	4.60 Hours Bi-weekly	6.13 Hours Bi-weekly
80 Hours/Yr	120 Hours/Yr	160 Hours/Yr

**8. SICK LEAVE**

Except as is otherwise provided, each employee shall accrue, use, and be compensated for sick leave as follows:

1. Accrual. Each employee shall accrue sick leave at the rate of 3.68 hours for each complete biweekly period of employment. Payroll division records are the final authority for settling disputes regarding accrued and accumulated sick leave.

2. New Employment. With the exception of employees who change positions within the unit by promotion, transfer or for some other reason, sick leave accumulated shall not be available for use until an employee completes six months of service~~his/her probationary period~~.
3. Use of Sick Leave. Accumulated sick leave may be used by an employee during a period of illness of the employee, child, step-child, parent, spouse, sibling or registered domestic partner.
4. Sick Leave Incentive. Employees who accumulate 69 hours or more of unused sick leave during any ~~fiscal~~payroll year may receive cash payment for up to 27 hours of the accumulated unused sick leave during the month of January of the following year. The sick leave shall be paid at the employees then existing rate of pay. Such days not paid for or taken may be accumulated to be used or taken as needed in the future, or paid for in accordance with the current 3% - 10 year program as referenced in Article 29 of this Agreement.

## **9. BEREAVEMENT LEAVE**

Bereavement leave is an absence occasioned by the death of a family member, herein defined as a spouse, parent, grandchild, brother, sister, child, step-child, grandparent, in-law relations (father-in-law, brother-in-law, daughter-in-law, etc.) or registered domestic partner of the employee.

Up to a maximum of forty (40) hours of bereavement leave, per calendar year may be used in the event of the death of a family member. In the event an employee needs additional time off for this leave, he/she may use up to 40 hours of sick leave per calendar year.

Requests for bereavement leave shall be made in writing, when feasible and shall be approved by the appointing authority and the Assistant Director of Administrative Services/Human Resources.

## **10. DISABILITY LEAVE**

### Salary Continuance for Industrial Disability Leave

All terms contained in this Article and the determination thereof, shall be as defined by the provisions of Division 4 of the California Labor Code, Sections 3201 et. seq.

In the event of an accepted work-related injury claim~~bonafide work incurred injury by an employee~~, the City shall ~~continue to~~ pay the gross salary, less legally required deductions, to the injured employee for a period not to exceed fourteen (14) calendar days. Employees covered under this program shall not receive a monetary amount greater than they would receive if they had been working under normal conditions. Any disability indemnity received by the employee from the State of California for the purpose of ensuring a weekly or monthly income as the result of the same work-incurred injury for which the employee is receiving disability salary